

FEB 12, 2002. Previous editions are superceded	Standard Operating Procedures (SOP) for Commercial Venture (CV) Transactions
---	---

<p><u>GENERAL</u></p>	<p>This SOP is designed for use by DRMS, DRMO, and Contractor personnel with the sole purpose to set forth standards for CV contract administration. The CV2 contract, 99-0001-0002, BOD 2/9/01 consists of 13 sales items numbered 1-13. Only usable, demil code A, B & Q property is part of this contract including reimbursable property. All processing shall be in accordance with policies and procedures as set forth in the applicable volumes of DRMS-I 4160.14. Hazardous material, demil required property, property requiring mutilation as condition of sale, and scrap is excluded.</p> <p>To ensure accurate cost tracking it is imperative that all time expended toward this contract is exception reported correctly. Use the appropriate cost code for the job you're performing (i.e. for movement of CV property, to the CV dedicated area, use the appropriate warehousing cost code, <u>and</u> JON 00COV2).</p> <p>Initial receipt and storage is <u>not</u> excepted to CV.</p> <p><u>CV POC's (only) for your CV duties, such as delivery order inventory and research, use cost accounting code 534033701 (4.1.2.4.16) and JON 00COV2.</u></p>
<p><u>DRMO Chief</u></p>	<p><u>A. Written Appointment:</u> Assign at a minimum one CV POC and one alternate POC. The name of the assigned individuals, along with a DSN and commercial telephone number and e-mail address, shall be provided to the Administrative Sales Contracting Officer (ASCO) assigned to your site. The ASCO must be notified immediately when the DRMO POC or alternate changes.</p> <p>Note: ASCO is defined in Para P. this SOP</p>
<p><u>DRMO</u></p>	<p><u>B. Receipt /storage of property:</u></p> <p>Ensure only useable property is referred (if it looks like scrap, it probably is).</p> <p>Establish only <u>one</u> national accumulation number for CV property. (Separate accumulations are no longer needed for A and B/Q demil property) per accumulation.</p> <p>Process demil code challenges for suspect property.</p> <p>Do not refer any of the following items to this contract:</p> <ul style="list-style-type: none"> a) Hazardous Material (HM) b) Property requiring any type of mutilation as a condition of sale that renders it unusable for it's original intent (such as the P2 fire trucks). c) Teletype equipment, parts and components d) PCs, CPUs, and external hard drives (<u>Do refer Monitors</u>, keyboards, printers, and other computing equipment and accessories) e) Circuit cards, extender cards, microcircuits

<p><u>DRMO</u></p>	<p>f) Electron tubes</p> <p>g) Scrap Vehicles, and any other property, that would be sold as “residue of” or “to be derived from”</p> <p>h) <i>Although FSC 8120 (Cylinders) were part of this sale, the CV partner has declined to receive them (HM right of refusal law)</i></p> <p>Further guidance will be provided if it becomes apparent that certain property needs to be removed from or added to this contract.</p> <p><u>Note:</u> Process XR1 in accordance with DRMS-I 4160.14, Vol. IV, Ch 2 and guidelines set forth in this SOP.</p> <ol style="list-style-type: none"> Input the XR1 in Daisy. Once the demil code is entered (A, B, or Q) a pop-up window will inform you that the property qualifies for the CV contract. Click “yes” to continue processing the XR1 for CV. (Notice that DAISY has automatically assigned the material screening code (V) and the action accounting codes.) Fill in the site and location and then press F9 to update. The accumulation number pop up will appear. Enter the current accumulation number, which must contain a V as the 2nd digit. (Notice that DAISY has automatically entered the correct IFB and item number for the property). Click “no” if the property is not to go to CV after RTD or falls into one of the categories listed in paragraph B this SOP. Store CV qualifying property in accordance with procedures established in DRMS-I 4160.14, Vol. II, Ch 2 para B9, with the exception that no separate locations/accumulation are needed for demil A, and B/Q property. All other instructions remain in effect. <u>Batch Lotting:</u> <ol style="list-style-type: none"> Use existing batch lot procedures as set forth in DRMS-I 4160.14, Vol. IV, Ch. 2 Para. D5, and Vol II, Ch2 para B7a. Use the predominant FSC to complete the XR1. <u>Do not prepare separate batch lots for each sale item!!!!</u> Generator prepared batch lots must be batched in accordance with DOD 4160.21-M, Ch 3 para B6 (5)b Option 1 (by FSC). Certify batch lots as set forth in DRMS-I 4160.14, Vol. II, Ch 2, section 1 Para B7e. <p><u>C. RTD:</u></p>
---------------------------	---

<p><u>DRMO</u></p>	<p>Allow normal RTD screening of property. Ensure timely processing of CV property as follows:</p> <ol style="list-style-type: none"> 1. On a weekly basis, request the quantity imbalance report available in DAISY. Monitor property with quantities in imbalance to insure requisitions/issues are processed in a timely matter to ensure quantities are brought back into balance before ESD of the affected accumulation. (Property with quantities in imbalance at ESD will roll into MSC Q and will not appear on CV DO's). 2. When processing an issue or denial a popup screen will appear on the bottom asking if the remaining property should be processed for CV. Answer "yes", and the property will go back into it's original accumulation. If you answer "no" a DTID re-start will be required until which time the property will roll into MSC Q. 3. Allow one (1) week after ESD for final removal of property tagged during the last week of screening. (This time period is also known as the "hold" period.) No formal screening is allowed during this timeframe. 4. Allow three (3) working days immediately following the "hold" period for Blue Light Screening. The blue light screening period is not intended for formal screening. It is a "first come first serve" issue period. 5. At the end of the blue light period, ensure DAISY is updated to account for any reutilization, downgrade, or other action that has made the property ineligible for referral to the CV Partner. 6. The end of blue light screening is the last opportunity to downgrade items to scrap if the condition <i>and/or sales history</i> of the item so warrants. 7. Property not removed by the end of the blue light period is no longer eligible for issue and will be released to the CV contract. 8. <u>DRMS Form 73 (withdrawal of property from sale)</u> <ol style="list-style-type: none"> a. During RTD and blue light screening submission of DRMS form 73 is not necessary. b. For property to be withdrawn <u>after</u> blue light screening but <u>before</u> appearing on a DO, DRMS Form 73 must be submitted and approved by the ASCO prior to issue. Fax
---------------------------	---

<p><u>DRMS/DRMO</u></p> <p><u>DRMS</u></p> <p><u>DRMO</u></p>	<p>all justifying paperwork including the mission essential statement to your ASCO.</p> <p>Ref: DoD 4160.21M CH 7 Para D and DRMS-I 4160.14, Vol III Ch 8 Para E</p> <p><u>D Sales Preparation:</u></p> <p>At the end of the blue light period prepare a listing (in DAISY Consolidated Inquiries) of the accumulation that is ready for referral.</p> <ol style="list-style-type: none"> 1. Review the listing for inconsistencies and discrepancies and initiate corrective action. Present the final reviewed listing along with original batch lot documentation to the DRMO Chief or his designees for demil code certification IAW DRMS-I 4160,14 Vol. II and IV, Ch 2. <i>Note: At A-76 sites the CV rep will coordinate all property accounting inconsistencies and discrepancies with the A-76 COTR who will resolve with the performing activity.</i> 2. Conduct a visual inspection of the accumulation to ensure all property is still in referral condition. <i>Verify SF 97 information by physically looking at the property (not just the form 200)</i> <i>Note: At A-76 sites the CV rep will coordinate this inspection with the A-76 COTR. The COTR will notify the CV rep if the performing activity wishes to participate in this inspection.</i> 3. Downgrade any property that cannot be used for its intended purpose. <i>Note: At A-76 sites the CV rep will coordinate with the A-76 COTR who will notify the performing activity of required action.</i> <p><u>E. Contract Administration/ DO PROCESS:</u></p> <p>Every Sunday, MIDAS will produce a report listing all property that has been in K status for a specific time period and prepare it for a delivery order. Every Monday an ASCO will extract buzzwords and critical FSCs from the MIDAS report for verification of demil codes. Any code perceived to be incorrect will be challenged immediately.</p> <p><u>NOTE: During weeks with federal holidays all actions will shift by the number of holidays.</u></p> <ol style="list-style-type: none"> 1. Every Monday/Tuesday, an ASCO will notify the DRMO POC of any items to be withdrawn from the DO and the reason for withdrawal. This notification may occur by phone, fax or e-mail, so please ensure you're monitoring all. Any additional data needed for demil code verification will
--	---

<p><u>DRMO</u></p>	<p>d. When annotating a line item with “rejected” or “abandoned” also annotate the reason such as scrap, HM etc.</p> <p><u>Note:</u> <i>At A-76 sites the CV rep will coordinate with the A-76 COTR who will coordinate assistance with the performing activity. The performing activity will assist by moving property to facilitate inspection, counting property, ensuring inventory accuracy and noting subsequent actions required.</i></p> <p>5. After verification of inventory, both the POC and the Partner sign the last page of the DO. <i>Unless discrepancies exist, this is the only page requiring signatures.</i></p> <p>6. <i>In the event of discrepancies</i>, both, DRMO POC and CV Representative, must sign each page containing a change.</p> <p>7. Mail or fax a copy of the page(s) containing changes to your ASCO.</p> <p>8. If there are <u>no changes</u> mail or fax a copy of the last, signed page to your ASCO with the statement “no discrepancies noted on DO # ____” written on the bottom of the page. NOTE: You may opt to e-mail the above statement to your ASCO in lieu of mailing/faxing the last page. <i>Mailing of hard copies need not follow e-mails.</i></p> <p>9. Once the DO is signed, remove the property from the accountable record with one XS7 for each item number. The sale price for each item is listed on the last page of the DO. Each DO requires a separate XS7 input and the accumulation number of the property on the DO. Items directed straight to sales require individual XS7 input. The bidder identification number for GL is 3001276217, the bidder registration number is 0002 and the IFB / contract number is 99-0001-0002</p> <p><u>Note:</u> <i>At A-76 sites the CV rep will provide the A-76 COTR with a copy of the completed, signed DO. The COTR will coordinate with the performing activity to effect inventory adjustments.</i></p> <p><u>F. Release:</u></p> <p>1. If dedicated storage space is available, all property signed for by the partner shall be physically moved to this designated area upon signing of the DO. <i>Outside property and bulk property may remain in place by mutual agreement</i></p>
---------------------------	---

<p><u>DRMO</u></p>	<p><i>between DRMO and CV partner. Large property (i.e. vehicles, shelters, trailers,) is not required to be moved to a dedicated area.</i></p> <p><u>Note: Do not co-mingle DRMO property and property belonging to the CV partners .</u></p> <p><i>The CV partner <u>may not</u> require the DRMO to “hold” moveable property for loading onto CV conveyance if dedicated storage is provided.</i></p> <p>2. When a designated area is not available, DRMO’s shall clearly mark all property not physically moved (i. e. property received in place) as “CV Partner Property – not available for screening / issue.”</p> <p>The markings should be clearly visible to anyone passing by the property. The method used to accomplish this task (labels, signs, placards) is up to the individual DRMO.</p> <p>3. <i>DRMO shall load CV partner conveyance (only) when no designated storage area is provided or when special circumstances apply.</i></p> <p><u>Note:</u> <i>At A-76 sites the CV rep will coordinate a delivery date with the A76 COTR. Delivery shall occur within five (5) days of notification.</i></p> <p>4. The DRMO shall not load CV customer conveyances (<i>special circumstance exceptions are up to the sole discretion of the DRMO Chief</i>). The Partner is responsible for loading property for his resale customers <u>except</u> for instances when MPR’s / MOA’s are in place with the host for loading DRMO customers. In the event of MPR’s/MOA’s either the partner or his customer (but not both) become the “DRMO” customer. Existing MPR’s / ISSAs shall remain in place and will be utilized.</p> <p>NOTE: When the Government (DRMO/Generator/Host) is not able to perform its one move clearly annotate the appropriate item on the DO as "Buyer must load".</p> <p>2. Title to the property vests in the purchaser upon signature of the DO in accordance with the terms and conditions of the sale.</p> <p><u>G. Documentation:</u></p> <p>1. DRMO is required to provide the partner with all documentation required by law, regulation, or policy, such as SF 97’s, PCB analysis documentation, refrigeration /</p>
---------------------------	--

<p><u>DRMS/DRMO</u></p>	<p>container certification, and FSCAP logs. However, DRMO is not required to provide the partner with RTD documentation or other Government/DRMO peculiar (i.e., vehicle/historical) records. <i>It is the responsibility of the DRMO and the CV partner to verify the information on the documents. All errors shall be corrected immediately.</i></p> <p>All required documentation including SF 97's should be provided to the Partner (not to their customer) at time of signing the DO except under special circumstances when mutually agreed to by DRMO Chief and CV Partner.</p> <p>2. SF 97's shall be issued (without exceptions) to: Government Liquidation 15051 N Kierland Blv , 3rd Floor Scottsdale, AZ 85254</p> <p>Note: At A-76 sites, where the Performing Activity maintains the documentation, the CV representative will coordinate documentation requirements with the A-76 COTR.</p>
<p><u>DRMO/DRMS</u></p>	<p><u>H. Abandonment:</u></p> <p>If the Partner chooses to abandon any property, he must make that decision known, in writing, to the ASCO within the first 90 days after receipt of the DO (1367). <i>Abandonment within the 1st 90 days does not require approval from DRMS, only written notification. Abandonment after 90 days requires written approval by DRMS. In either instance the partner will not be reimbursed for the base price</i> <u>Process abandoned property directly to scrap using the DRMS form 18</u> (scrap tally) and annotate the original DTID on the tally sheet for cross reference, or use original DTID and process as XR3. Under no circumstances should abandoned property be re-referred to the CV contract.</p> <p><i>CV representative shall coordinate these actions (as applicable) with the A-76 COTR and/or scrap contractor.</i></p> <p>NOTE: It is the responsibility of the partner's personnel to clear abandonment through the ASCO not that of the DRMO. However, it is the DRMO's responsibility to notify the ASCO, by DTID number, that the property was received by the DRMO.</p> <p><u>I. Rejection:</u></p> <p>The Partner can reject property for the following reasons. (Note: DRMO must agree). If rejection is justified, the CV partners will be receiving credit for any base amounts already paid.</p> <p>* Property contains hazardous components or material.</p>

<p><u>DRMO</u></p>	<ul style="list-style-type: none"> * Property is obviously scrap. * Property is obviously misdescribed; (i.e., described as communication shelter with full stock number implying a complete unit but property on hand is actually an empty shelter). * Property has a total acquisition value of \$10,000,000 or more. * Property is suspected to be demil required. <p>All credits require manual posting and can only be posted by the ASCO. There are no DAISY transactions the DRMO can post to affect / prevent credits.</p> <p>In accordance with the contract, the acquisition cost is <u>NOT</u> subject to dispute. Therefore property <u>cannot</u> be rejected for that reason. However, if it is obvious that the acquisition cost is incorrect due to a data input error or misdescription, contact your ASCO for instructions on how to proceed. <u>Do NOT remove the item from the DO without consulting with you ASCO.</u> Process rejected property in accordance with the reason for rejection.</p>
<p><u>DRMO</u></p>	<p><u>J. Upgrades From Scrap:</u></p> <p>The Partner may request a scrapped item to be upgraded for sales purpose. Compliance with this request is <u>at the DRMO's discretion.</u> Upgrade procedures as prescribed in DRMS-I 4160.14 must be used in conjunction with the following guidelines.</p> <ul style="list-style-type: none"> * <i>If the item falls in the critical NSN area or is a “buzzword” item, it may only be upgraded if a full NSN is associated with the item.</i> * <i>Noncritical property(i.e. furniture, hardware, etc) may be upgraded at any time.</i> * Verify demil code <u>prior</u> to upgrading property. * If property was downgraded upon receipt, process upgraded property through the RTD cycle – if there are sales potential then there are RTD potential. (This does not apply to property that was downgraded at ESD and has already completed the RTD process.) * Annotate the document that the upgrade has occurred at the request of the CV Partner (this property may not be rejected/abandoned at a later date.) <p><i>At A-76 sites the CV representative shall coordinate the upgrade process through the A-76 COTR.</i></p> <p><u>NOTE:</u> No upgrades shall be done at locations where contractors operate the scrap yard.</p> <p><u>K. Demil Change Procedures:</u></p> <ol style="list-style-type: none"> 1. When a Demil code changes to “Demil required” while the property is still in control of the DRMO, withdraw the property

	<p>from the partners' accumulation and place it with the appropriate demil required accumulation. Ensure that all CV sales referral information is removed from the item and, if the property was referred on a DO, notify the ASCO of the withdrawal.</p> <ol style="list-style-type: none"> 2. When a Demil code changes to "demil-required" after the partners have control of the property, notify the ASCO and the partners immediately providing the DTID number and, if possible, the DO number that the item was on. If the property is still in the partners' possession, it will be returned to DRMO control to be processed in accordance with existing policies. 3. If the property was sold by the partner and removed by their customer notify the ASCO immediately providing the DTID number and, if possible, the DO number that the item was on. The ASCO will first try to recover the property and, if not successful, notify Trade Security Control. 4. When a demil code changes from demil required to demil A, B, or Q, and the property qualifies for CV, process a manual XS 6 to refer the property to the CV contract. 5. When a demil code (A, B, or Q) changes <u>to</u> either A, B, or Q (demil code change notifications) while in the control of the DRMO ensure that DAISY is updated with the corrected demil code. 6. If the change notification is received after the property appeared on a DO process as follows: <ol style="list-style-type: none"> a) If DO has not been signed, circle the demil code on the DO and write the correct demil code above it. b) If DO has been signed, notify your ASCO by DTID and DO of the change. <p>In either case a copy of the demil change notice should be provided to your ASCO.</p> <p>Note: At A76 site, the DRMO shall coordinate <u>all</u> demil code change action requirements (K1-6) with the A-76 COTR</p> <p>L. Storage/Access to CV Area: Continuous storage space provided to the CV Partner should be equal to the average amount of property referred. (if an average of 50% of the property goes to CV contract, then 50% storage space should be provided). Both, inside and outside area must be provided. This space shall be for the exclusive use of the CV partner; DRMO property shall not be</p>
--	--

<p><u>DRMO</u></p>	<p>stored in this area.</p> <p>The Partner's employees and their customers must have access to this storage area for a minimum of two 8 hour days per week. The DRMO is encouraged to allow access for the entire period the DRMO is open. This access is to occur during regular DRMO operating hours only (Monday-Friday except Holidays). Overtime pay or Comp/ flex time (for DRMO employees) to accommodate the CV contract is <u>not</u> authorized.</p> <p>CV customers must sign in at DRMO before proceeding to CV area <i>unless a separate entrance is provided</i>. All host/ DRMO vehicle and access controls also apply to the Partner and his customers. DRMO personnel are not responsible for escorting CV Partner customers. If a separate entrance is available for CV Partner use, a sign in log shall be provided to the partner who then becomes responsible to obtain sign in information from their customers. Partner should "turn-in" the referenced logs to the DRMO on a daily bases <i>unless otherwise arranged with the DRMO Chief</i>.</p> <p><i>At A-76 sites without designated CV area, all access to property must be coordinated through the A-76 COTR.</i></p> <p><i>Additional storage area requests must be coordinated with the A-76 CO through the A-76 COTR.</i></p> <p><u>M. Loss / Theft of Property:</u> After completion of ESD, once the property is moved to the partner's area, the DRMO must ensure that no unauthorized personnel (such as screeners, etc.) have access to the property. After the property is moved to the partners area, loss / theft of property is a business expense to the partner, unless DRMO negligence to protect the property is apparent.</p> <p><u>N. Return of Property to DRMO:</u> Return of property to the DRMO can only be authorized by the SCO/ASCO. <i>At A-76 sites coordinate with A-76 COTR prior to turn in</i>. Documentation for returned property will be as follows:</p> <ol style="list-style-type: none"> 1. <u>Scrap/ Scrap-RCP:</u> The CV partner will use the original DTID Number to return property to the nearest DRMO. The DRMO will annotate the document as being a return from the CV partner and downgrade the property to scrap upon receipt (XR3). (Under normal circumstances the partner will not receive a credit for this property but there are exceptions) If the CV partner challenges an RCP receipt as scrap the nearest DRMO shall inspect the challenged property. If DRMO personnel agree that the
---------------------------	--

**SCO/ASCO
INFORMATION**

item is scrap, process the property onto DRMO inventory with an XR3 transaction. Annotate the document as “CV return-RCP-Scrap”.

2. **Non-RCP HM:** When notified by the CV partner that HM suspect property was received; the DRMO must immediately inspect the property. If the property is, or contains, HM, the DRMO must obtain a disposal fund code from the originating generator and affect removal of the property.
3. **Return of property for reasons other than scrap:** This includes, but is not limited to, misdescribed RCP property and property that is suspect to requiring demol. The CV partners will use the original requisition/DTID number (whichever applies) to turn the property in to the nearest DRMO. DRMO personnel will process this property in accordance with the reason for turn-in. CV partner must coordinate with DRMO prior to turn-in.
4. **RCP HM Guidelines for DRMO’s Huntsville, Lewis and Norfolk:** Hazardous Material or property containing hazardous material is not part of this contract. Therefore, DRMO must recoup any RCP-HM suspect material that is erroneously sent to the CV partner. The CV partner will notify the DRMO of the receipt of the questionable material. The DRMO shall contact the originating activity, obtain disposal fund code, and affect removal of the property. DRMO must also notify the ASCO who will credit the CV partner account for the returned property. NOTE: If the RCP-HM suspect material involves a large number of DTID’s, the DRMO may, through its ASCO, request research assistance.
5. **Inform your ASCO:** At a minimum, provide your ASCO with all DTID numbers and requisition numbers pertaining to the returned property. Provide additional documentation as requested by the SCO/ASCO

O. Sales Contracting Officer (SCO): The assigned SCO, Don Zimmerman, is responsible for all contractual changes and modifications and monitors the overall contract at a HQ-to-HQ level.

Don can be reached at DSN 932-7593, commercial 616-961-7593, Fax 616-961-5283. E-mail dzimmerman@mail.drms.dla.mil
The mailing address for all is: DRMS-BU, Federal Center, 74 Washington Avenue North, Battle Creek, MI 49017

P. Administrative Sales Contracting Officers (ASCO):

ASCO's are fully warranted SCO's with the primary mission of monitoring and administering the day-to-day execution of the CV sales contract. This includes storage and shipment problems, personnel conflicts, and safety / demil issues as well as all delivery order matters. The ASCO assigned to your DRMO is your first and primary POC for all CV related matters. The ASCO will elevate matters to the SCO when warranted.

Becky Bellinger, DSN 932-7079, Fax 932-5283

email – bbellinger@mail.drms.dla.mil

Responsible for DRMO Columbus, LeJeune, Warner Robbins, Anniston, Campbell, San Antonio, Hawaii and Guam, including all associated sites, satellites and FRA's.

Jenny Prewitt, DSN 932-7280, Fax 932-5283

e-mail – jprewitt@mail.drms.dla.mil

Responsible for DRMO Jacksonville, Scott, Riley, Hood, Tucson, Barstow, Hill, and Puerto Rico, including all associated sites, satellites and FRA's.

Cheri' Reece-Calkins, DSN 932-7220, Fax 932-5668

e-mail - creece@mail.drms.dla.mil

Responsible for DRMO Lewis, Stockton, San Diego, Oklahoma City, Norfolk, Mechanicsburg, Portsmouth, Meade, and Alaska including all associated sites, satellites and FRA's.

POC for this SOP is Jenny Prewitt, DRMS-NOP,
DSN 932-7280.